

**ROMGAZ**

19. 18461/26.06.2015



Societatea Națională de Gaze Naturale Romgaz S.A. - Mediaș - România

**To: SNGN ROMGAZ SA Shareholders**

**Ref: approval of the proposed modifications to the Articles of Incorporation of SNGN ROMGAZ SA**

First of all, we would like to specify that the incorporation of SNGN ROMGAZ SA (hereinafter referred to as the Company), as well as its Rules of Organization and Operation were approved by Government Decision no. 575/ 2001 on incorporating Societatea Nationala de Gaze Naturale "ROMGAZ" – S.A. by merger of Societatea Comerciala de Explorare si Productie a Gazelor Naturale "Exprogaz" - S.A. with Societatea Nationala de Depozitare Subterana a Gazelor Naturale "Depogaz" - S.A.

In the context of the listing process of the Company' shares on the BVB, amendment of the Articles of Incorporation was approved by the EGMS Resolution no. 4 of April 29, 2013, in a form currently still valid, except for a few modifications. Nevertheless, since issuance of the EGMS Resolution no. 4 of April 29, 2013 a series of legislative events have occurred that modified, partially, the legal circumstances that have been taken into account with the occasion of amending the Articles of Incorporation pursuant to the above mentioned Resolution. A few such legislative events are mentioned below:

- a) Coming into force of the Emergency Government Ordinance no. 90/ 2014 on amending Law 297/ 2004 on Capital Market<sup>1</sup>
- b) Coming into force of the Financial Supervisory Authority Regulation no. 13/ 2014 on amending and supplementing several rules issued by the National Securities Commission<sup>2</sup>

<sup>1</sup> Normative act applicable to SNGN ROMGAZ SA as well, and that has established, inter alia, new rules regarding the shareholder representation

<sup>2</sup> Rules that have amended, inter alia, the CNVM Rule no.1/2006 on issuers and securities operations, and the CNVM Rules no. 6/2009, on exercising certain rights of shareholders within the general meetings of trading companies, such normative acts being applicable to SNGN ROMGAZ SA as well

Capital social: 385.422.400 lei

CIF: RO 14056826

Nr. Ord.reg.com/an : J32/392/2001

RO08 RNCB 0231 0195 2533 0001 - BCR Mediaș

RO12 BRDE 330S V024 6190 3300 - BRD Mediaș



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Last but not least, with the occasion of applying the provisions of the Company's Articles of Incorporation, as amended by EGMS Resolution no. 4 of April 29, 2013, it has been determined that, on one hand, there were some rules that could not be applied in relation to the Company's activity<sup>3</sup>, and, on the other hand, it is necessary to regulate, more clearly and organized, the aspects related to the organization and functioning of the GMS and the Board of Directors<sup>4</sup>, as well as the legal status of the Company's shareholders, directors and managers.

The Board of Directors endorsed the proposed modifications to the Articles of Incorporation of SNGN ROMGAZ SA, and after that, decided to submit such modifications for review and approval to the Extraordinary General Meeting of Shareholders.

The proposal of modification of the Articles of Incorporation was published on May 13, 2015, for transparency in relation to the Company's shareholders, on the Company's website, accompanied by a letter addressed to Company shareholders requesting the shareholders to submit their comments and proposals for modification to the Articles of Incorporation of SNGN ROMGAZ SA.

***Under existing conditions, SNGN ROMGAZ SA requests the General Meeting of Shareholders to approve the proposed modifications to the Articles of Incorporation of SNGN ROMGAZ SA, in the form attached hereto.***

Yours sincerely,

Aurora NEGRUT  
Chairperson of the Board of Directors

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Annexes:

1. Articles of Incorporation Draft updated with the proposed modifications.
2. Proposed modifications to the Articles of Incorporation, in a separate manner

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<sup>3</sup> i.e., **Article 13, paragraph 2 of the Articles of Incorporation**, providing that the technical secretaries conclude the minutes of the meeting "... to determine the number of bearer shares ..."; the Company has not issued bearer shares in materialized form but non-materialized registered shares that cannot be the subject of the material operation of 'bearing';

the provisions of **Article 10, paragraph 4, item g) of the Articles of Incorporation**, providing that the OGMS approves, inter alia, commercial credits: bearing in mind that the commercial credit is the credit given by traders/professionals in relation to the price of contracted products, services and works for the due payment period of contracted products, services and works, it results that the OGMS should approve all due payment dates contracted by the Company in the relationship with its suppliers and customers; such a solution would be then impossible to apply, in a practical manner, by a joint stock company having a territorial dispersion of activity and a revenue as high as the Company's.

<sup>4</sup> Including the necessity to delimitate more clearly the competencies of the two statutory management bodies

***ARTICLES OF INCORPORATION***

***of Societatea Nationala de Gaze Naturale  
“Romgaz” - SA***

***updated on...., 2015***

## **Article 1 - Business Name**

The name of the company is Societatea Nationala de Gaze Naturale “Romgaz” - SA, hereinafter referred to as “ROMGAZ S.A” or the “Company”.

## **Article 2 - Legal Form**

ROMGAZ S.A is a Romanian legal entity, its legal form is a joint-stock company and it performs its activities according to the Romanian Law and this Articles of Incorporation.

## **Article 3 - Registered Office**

- (1) ROMGAZ S.A. headquarters is located in Medias, 4 C.I. Motas Square, Sibiu County.
- (2) ROMGAZ S.A headquarters may be changed subject to a resolution of the Extraordinary General Meeting of Shareholders.
- (3) ROMGAZ S.A is composed of 7 (seven) branches, provided for in annex “Branches of Societatea Nationala de Gaze Naturale “ROMGAZ” - S.A” attached hereto.
- (4) ROMGAZ S.A may set up or dissolve secondary offices (branches, agencies, offices or any other work locations) subject to a resolution of the Board of Directors.

## **Article 4 - Duration**

The Company is set up for an unlimited time period.

## **Article 5 – Field and Scope of Activities**

- (1) The core business of the Company, according to the Classification of Activities in the National Economy (CAEN Rev. 2) is extraction of natural gas (CAEN code: 062).
- (2) The main scope of activity is extraction of natural gas (CAEN code: 0620);
- (3) The Company may perform the following secondary activities:

CAEN Code                      Activity

<u>5210</u>	<u>Underground storage of natural gas</u>
<u>0910</u>	<u>Support activities for petroleum and natural gas extraction</u>
<u>3522</u>	<u>Distribution of gaseous fuels through mains</u>
<u>3523</u>	<u>Trade of gas through mains</u>
<u>4671</u>	<u>Wholesale of solid, liquid and gaseous fuels and related products</u>
<u>0610</u>	<u>Extraction of crude petroleum</u>
<u>0899</u>	<u>Other mining and quarrying n.e.c.</u>

<u>0990</u>	<u>Support activities for other mining and quarrying</u>
<u>1920</u>	<u>Manufacture of refined petroleum products</u>
<u>2011</u>	<u>Manufacture of industrial gases</u>
<u>7120</u>	<u>Technical testing and analysis, including of natural gas</u>
<u>4950</u>	<u>Transport via pipeline, other than main pipelines</u>
<u>4941</u>	<u>Freight transport by road</u>
<u>4939</u>	<u>Other passenger land transport n.e.c</u>
<u>5221</u>	<u>Service activities incidental to land transportation</u>
<u>5224</u>	<u>Cargo handling</u>
<u>4520</u>	<u>Maintenance and repair of motor vehicles</u>
<u>3311</u>	<u>Repair of fabricated metal products</u>
<u>3312</u>	<u>Repair of machinery</u>
<u>3313</u>	<u>Repair of electronic and optical equipment</u>
<u>3314</u>	<u>Repair of electrical equipment</u>
<u>3317</u>	<u>Repair and maintenance of other transport equipment n.e.c.</u>
<u>3319</u>	<u>Repair of other equipment</u>
<u>2562</u>	<u>Machining</u>
<u>7112</u>	<u>Engineering activities and related technical consultancy</u>
<u>7490</u>	<u>Other professional, scientific and technical activities n.e.c.</u>
<u>7711</u>	<u>Renting and leasing of cars and light motor vehicles</u>
<u>7712</u>	<u>Renting and leasing of trucks</u>
<u>7732</u>	<u>Renting and leasing of construction and civil engineering machinery and equipment</u>
<u>7739</u>	<u>Renting and leasing of other machinery, equipment and tangible goods</u>
<u>6820</u>	<u>Renting and operating of own or leased real estate</u>
<u>3511</u>	<u>Production of electricity</u>
<u>3512</u>	<u>Transmission of electricity</u>
<u>3513</u>	<u>Distribution of electricity</u>
<u>3514</u>	<u>Trade of electricity</u>
<u>3600</u>	<u>Water collection, treatment and supply</u>
<u>3530</u>	<u>Steam and air conditioning supply</u>
<u>7120</u>	<u>Technical testing and analysis, including of natural gas</u>
<u>2059</u>	<u>Manufacture of other chemical products n.e.c.</u>
<u>3821</u>	<u>Treatment and disposal of non-hazardous waste</u>
<u>3811</u>	<u>Collection of non-hazardous waste</u>

<u>3812</u>	<u>Collection of hazardous waste</u>
<u>3831</u>	<u>Dismantling of wrecks</u>
<u>3832</u>	<u>Recovery of sorted materials</u>
<u>4120</u>	<u>Construction of residential and non-residential buildings</u>
<u>4211</u>	<u>Construction of roads and motorways</u>
<u>4212</u>	<u>Construction of railways and underground railways</u>
<u>4213</u>	<u>Construction of bridges and tunnels</u>
<u>4221</u>	<u>Construction of utility projects for fluids</u>
<u>4222</u>	<u>Construction of utility projects for electricity and telecommunications</u>
<u>4299</u>	<u>Construction of other civil engineering projects n.e.c.</u>
<u>4311</u>	<u>Demolition</u>
<u>4312</u>	<u>Site preparation</u>
<u>3320</u>	<u>Installation of industrial machinery and equipment</u>
<u>4321</u>	<u>Electrical installation</u>
<u>4322</u>	<u>Plumbing, heat and air conditioning installation</u>
<u>4332</u>	<u>Joinery installation</u>
<u>4333</u>	<u>Floor and wall covering</u>
<u>4339</u>	<u>Other building completion and finishing</u>
<u>4329</u>	<u>Other construction installation</u>
<u>4399</u>	<u>Other specialised construction activities n.e.c.</u>
<u>4662</u>	<u>Wholesale of machine tools</u>
<u>4663</u>	<u>Wholesale of mining, construction and civil engineering machinery</u>
<u>4675</u>	<u>Wholesale of chemical products</u>
<u>4677</u>	<u>Wholesale of waste and scrap</u>
<u>4711</u>	<u>Retail sale in non-specialised stores with food, beverages or tobacco predominating</u>
<u>4778</u>	<u>Other retail sale of new goods in specialised stores</u>
<u>4779</u>	<u>Retail sale of second-hand goods in stores</u>
<u>2529</u>	<u>Manufacture of other tanks, reservoirs and containers of metal</u>
<u>2511</u>	<u>Manufacture of metal structures and parts of structures</u>
<u>2512</u>	<u>Manufacture of doors and windows of metal</u>
<u>2599</u>	<u>Manufacture of other fabricated metal products n.e.c.</u>
<u>3299</u>	<u>Other manufacturing n.e.c.</u>
<u>2711</u>	<u>Manufacture of electric motors, generators and transformers</u>
<u>2712</u>	<u>Manufacture of electricity distribution and control apparatus</u>

<u>6010</u>	<u>Radio broadcasting</u>
<u>6020</u>	<u>Television programming and broadcasting activities</u>
<u>6110</u>	<u>Wired telecommunications activities</u>
<u>6120</u>	<u>Wireless telecommunications activities</u>
<u>6130</u>	<u>Satellite telecommunications activities</u>
<u>6190</u>	<u>Other telecommunications activities</u>
<u>6492</u>	<u>Other credit granting</u>
<u>6499</u>	<u>Other financial service activities, except insurance and pension funding n.e.c.</u>
<u>6612</u>	<u>Security and commodity contracts brokerage</u>
<u>6619</u>	<u>Other activities auxiliary to financial services, except insurance and pension</u>
<u>7022</u>	<u>Business and other management consultancy activities</u>
<u>7111</u>	<u>Architectural activities</u>
<u>8020</u>	<u>Security systems service activities</u>
<u>8532</u>	<u>Technical and vocational secondary education</u>
<u>8560</u>	<u>Educational support activities</u>
<u>7911</u>	<u>Travel agency activities</u>
<u>7912</u>	<u>Tour operator activities</u>
<u>5510</u>	<u>Hotels and similar accommodation</u>
<u>5520</u>	<u>Holiday and other short-stay accommodation</u>
<u>5530</u>	<u>Camping grounds, recreational vehicle parks and trailer parks</u>
<u>5590</u>	<u>Other accommodation</u>
<u>7990</u>	<u>Other reservation service and related activities</u>
<u>5610</u>	<u>Restaurants and mobile food service activities</u>
<u>5621</u>	<u>Event catering activities</u>
<u>5629</u>	<u>Other food service activities</u>
<u>5630</u>	<u>Beverage serving activities</u>
<u>4619</u>	<u>Agents involved in the sale of a variety of goods</u>
<u>8621</u>	<u>General medical practice activities</u>
<u>8622</u>	<u>Specialist medical practice activities</u>
<u>8710</u>	<u>Residential nursing care activities</u>
<u>8623</u>	<u>Dental practice activities</u>
<u>8690</u>	<u>Other human health activities</u>
<u>9311</u>	<u>Operation of sports facilities</u>
<u>9312</u>	<u>Activities of sport clubs</u>

9313	<u>Fitness facilities</u>
9319	<u>Other sports activities</u>
9329	<u>Other amusement and recreation activities n.e.c.</u>

#### **Article 6 – Share Capital**

- (1) ROMGAZ S.A share capital is RON 385,422,400, fully subscribed and paid up.
- (2) The share capital is divided in 385,422,400 shares, each having a nominal value of Ron 1.
- (3) The Romanian State owns 269,823,080 shares.
- (4) The Romanian State exercises its rights as shareholder of ROMGAZ S.A through the Ministry of Energy, Small and Medium Enterprises and the Business Environment, having the headquarters in Bucharest, Splaiul Independentei no. 202E, district 6.
- (5) A number of 115,599,320 shares are held by Romanian or foreign, legal and individual shareholders, other than the Romanian State.

#### **Article 7 - Increase and Reduction of Share Capital**

- (1) The share capital may be increased by issue of new shares or by increasing the nominal value of existing shares in exchange of new contribution in cash and/or in kind.
- (2) The share capital may be reduced by reducing the number of shares, by reducing the nominal value of shares, as well as by buyback of own shares for subsequent annulment.
- (3) In case the Board of Directors observes that further to losses stated in the annual financial statements, approved according to the law, the net asset of the Company, representing the difference between total assets and total debts, has decreased to less than half of the subscribed share capital, it shall immediately call for the Extraordinary General Meeting of Shareholders in order to decide on the reduction or restoring of the share capital or on dissolving the Company.

#### **Article 8 – Shares**

- (1) Company shares are nominative, ordinary, non-divisible, dematerialized and free transferable.
- (2) Preference shares may be issued in compliance with the law, subject to a Resolution of the Extraordinary General Meeting of Shareholders, with priority to dividends and without voting right.
- (3) Issue, conversion and sale of shares shall be done in compliance with the legal provisions and this Articles of Incorporation.
- (4) When a nominative share is owned by several persons, the transfer of the ownership shall be recorded only after a single representative is appointed for voting purposes resulted from such share.
- (5) An independent registrar company shall supervise the Company shares and shareholders, by complying with legal conditions and proceedings.



- (6) For the period when the Company shares are traded on a regulated Romanian market depositary receipts may be issued, the shares issued by the Company underlying such depositary receipts. The depositary receipts may be issued by an entity, other than the Company, considering that the depositary receipts shall be admitted to trading on a regulated market in another member state of the European Union, with the approval of the Extraordinary General Meeting of Shareholders.

#### **Article 9 – Depositary Receipts**

- (1) Depositary receipts are securities, granting the holder the rights and obligations for the shares underlying them.
- (2) Depositary receipts grant the right to obtain Company shares through conversion. Conversion is made according to applicable laws.
- (3) In addition and without violating the above mentioned, depositary receipt holders are granted the right to own Company shares.

#### **Article 10 – Shareholders Rights and Obligations**

- (1) When a person acquires the property right of a share, it also acquires the rightful position as shareholder of ROMGAZ S.A together with all rights and obligation arising out of this position, according to the law and this Articles of Incorporation.
- (2) In compliance with all exceptions provided by law, each share whose value was subscribed and fully paid up, grants the shareholder the right:
  - a) to participate in the general meetings of shareholders;
  - b) to obtain information necessary for exercising the voting right and the information related to the voting result in the General Meeting of Shareholders;
  - c) to cast a vote in the General Meeting of Shareholders;
  - d) to receive the payment of the dividends due;
  - e) preference right for subscribing for newly issued shares;
  - f) to equal treatment for all shareholders of the same class;
  - g) any other rights provided by law and this Articles of incorporation.
- (3) Shareholders have to exercise their rights in good faith by complying with the lawful rights and interests of the Company and of the other shareholders.
- (4) If, related to a certain operation, a shareholder, either personally or as representative of another person, has an interest contrary to that of the Company; it shall abstain from the deliberations on such operation.
- (5) Shareholders shall transmit to the Company ex officio or at the request of the Company, all identification and contact data necessary for complying with all conditions related to the exercise of rights and to the fulfilment of Company obligations, provided by law or by this Articles of Incorporation.

- (6) If the data transmitted change, the new data shall be sent by the shareholders ex officio, according to paragraph 5.

#### **Article 11 – Exercise of Rights by Holders of Depositary Receipts (DR)**

- (1) Rights and obligations with respect to shares underlying depositary receipts rest on holders of depositary receipts pro rata with their holding and in consideration of the conversion rate between underlying shares and depositary receipts.
- (2) The issuer of depositary receipts on whose behalf shares underlying depositary receipts are recorded is shareholder within the meaning of and according to Regulation 6/2009 on the exercise of certain rights of shareholders within the general meetings of shareholders of trading companies. To this effect, the issuer of depositary receipts is fully responsible for providing accurate, complete and timely information to holders of depositary receipts, by complying with the instructions written on the documents related to the issue of depositary receipts, referring to informational documents and materials of a General Meeting of Shareholders supplied by the Company for the shareholders.
- (3) For a DR holder to exercise his obligations and rights with respect to a General Meeting of Shareholders, such holder shall transmit to the entity where his depositary receipt account is open, the voting instructions related to the agenda of the General Meeting of Shareholders, so that such information may be sent to the DR issuer.
- (4) The issuer of depositary receipts casts his vote in the General Meeting of Shareholders of the Company in compliance with and within the limits of the instructions received from the DR holders, which have this right on the reference date established according to applicable legal provisions and by complying with the instructions written on the document related to the issue of depositary receipts.
- (5) For certain underlying shares, the DR issuer may cast in the General Meeting of Shareholders different votes than those casted for other underlying shares.
- (6) The DR issuer is fully responsible for taking all necessary measures so that the entity keeping record of DR holders, intermediaries providing custody services on the market DR are traded and/or any other entities involved in keeping record of DR holders report the voting instructions of DR holders on the agenda of the General Meeting of Shareholders.

#### **Article 12 – Organization and Powers of the General Meeting of Shareholders**

- (1) The general meetings of shareholders are ordinary and extraordinary.
- (2) The ordinary general meetings of shareholders shall meet at least once a year, within 5 months from closing of financial year.
- (3) The Ordinary General Meeting of Shareholders is authorized to decide upon any issues related to Company's activity, except for those provided by law to fall within the powers of the Extraordinary General Meeting of Shareholders.
- (4) The main powers of the Ordinary General Meeting of Shareholders are the following:
  - a) Approving the strategic objectives of the Company;

- b) Discussing, approving or modifying, as the case may be, the annual financial statements of the Company on the basis of the reports submitted by the Board of Directors and by the financial auditor, and to set the dividend ;
  - c) Discussing, approving or requiring the supplementation or review, as the case may be, of the governing plan, under the provisions of the law;
  - d) Establishing the income and expenditure budget for the next financial year;
  - e) Selecting and dismissing the members of the Board of Directors, and to establish their remuneration;
  - f) Assessing the Board of Directors' governing activity.
  - g) Appointing and dismissing the financial auditor, and setting the minimum duration of the financial audit contract;
  - h) Setting rules on the activity of the General Meeting of Shareholders without violating any legal provisions and this Articles of Incorporation;
  - i) Concluding acquisition documents for non-current assets having an individual or cumulated value exceeding during one financial year 10% of the Company's total value of non-current assets, excluding receivables, to the same co-contractor or involved persons or to persons acting by joint agreement.
  - j) Concluding documents for divestiture, exchange or submission of guarantees for Company's non-current assets having an individual or cumulated value exceeding during one financial year 10% of the Company's total value of non-current assets, excluding receivables;
  - k) Authorising bond loans whose value exceeds, individual or cumulated, with other ongoing bond loans, the equivalent value in lei of Euro 100 million;
  - l) Contracting of bank loans having the value, individual or cumulated, with other ongoing bank loans, higher than the equivalent value in lei of EUR100 million.
  - m) Authorizing loans to companies having the value, individual or cumulated, with other ongoing loans to companies, higher than the equivalent value in lei of EUR 50 million.
  - n) Concluding documents for guarantees, other than those related to non-current assets of the Company, having an individual or cumulated value in relation to other ongoing guarantees, other than guarantees related to non-current assets, higher than the equivalent value in lei of EUR 50 million.
- (5) The Ordinary General Meeting of Shareholders cannot mandate the Board of Directors to carry out the powers provided under paragraph (4).
- (6) The Extraordinary General Meeting of Shareholders meets as often as required to decide upon the following:
- a) Changing the legal status of Company;
  - b) Changing the head office of the Company;
  - c) Modifying the scope of activity of the Company;
  - d) Establishing legal persons or partnerships in order to create entities with or without legal personality;

- e) Increasing the share capital;
  - f) Reducing the share capital or replenish it by issue of new shares;
  - g) Company's merger with other companies or Company's spin-off;
  - h) Early winding-up of the Company;
  - i) Conversion of shares from one category to the other;
  - j) Conversion of a category of bonds to another category or to shares;
  - k) Issue of bonds;
  - l) Concluding acquisition documents for non-current assets having an individual or cumulated value exceeding during one financial year 20% of the Company's total value of non-current assets, excluding receivables;
  - m) Concluding documents for divestiture, exchange or submission of guarantees for Company's non-current assets having an individual or cumulated value exceeding during one financial year 20% of the Company's total value of non-current assets, excluding receivables;
  - n) Concluding leasing documents for some tangible assets whose individual or cumulated value in relation to the same co-contractor or involved persons acting by joint agreement during one financial year exceeds 20% of the Company's total value of non-current assets, excluding receivables;
  - o) Any other amendment to the Articles of Incorporation or any other decision requiring the approval of the Extraordinary General Meeting of Shareholders.
- (7) The Extraordinary General Meeting of Shareholders may delegate to the Board of Directors the powers provided under paragraph (5), items b) and c), in compliance with the legal provisions and these Articles of Incorporation.

### **Article 13 – Convening the General Meeting of Shareholders**

- (1) The General Meeting of Shareholders shall be convened by the Board of Directors, whenever necessary.
- (2) The Board of Directors convenes the General Meeting of Shareholders at once, upon the shareholders request representing, individually or together, at least 5 % of the share capital. In this case the General Meeting of Shareholders will be convened within 30 days and will meet within 60 days from the receipt of the request.
- (3) The General Meeting of Shareholders will meet at Company's headquarters or in a place indicated in the convening notice.
- (4) Convening of General Meeting of Shareholders shall be made in compliance with the conditions, terms and publicity proceedings provided by law.
- (5) The Convening Notice will include the place and date of the meeting, the meeting commencement time, the agenda that will mention explicitly all the issues under debate, the reference date, how the votes can be casted and a detailed description of the procedure that has to be followed by the shareholders in order to be able to cast their votes.

- (6) Modification or supplementation, as the case may be, of the agenda after convening of the General Meeting of Shareholders, shall be made in compliance with the conditions, terms and proceedings provided by law.
- (7) If the Board of Directors does not convene the General Meeting of Shareholders according to paragraph 2, the shareholders who submitted the request for convening may require the competent court to authorize the convening of the General Meeting of Shareholders, to approve the agenda and to set the reference date, the date and time of the meeting and to appoint one of the shareholders to chair the meeting.

#### **Article 14 - Organizing the General Meeting of Shareholders**

- (1) General Meeting of Shareholders are chaired by the Chairman of the Board of Directors.
- (2) The General Meeting of Shareholders shall elect, from among the present shareholders, 1(one) to 3(three) secretaries who will check the record of attendance indicating the share capital represented by each and the minutes of the meeting prepared by the technical secretary/secretaries in order to note the fulfilment of all legal and statutory formalities for holding the meeting.
- (3) The Chairman of the Board will appoint from among the employees of the Company one or more technical secretaries that will check the fulfilment of all legal and statutory formalities for holding the meeting.
- (4) The minutes of the meeting signed by the Chairman of the Board of Directors and by the meeting secretary, will note the fulfilment of all convening formalities, the date and place of the meeting, the present or represented shareholders, the total number of shares/voting rights, a summary of the debates, the decisions made, and correlatively the number and kind of votes casted for each decision and at the shareholders' request, the statements they made during the meeting.
- (5) All documents related to convening and the record of attendance shall be attached to the minutes of the meeting prepared according to paragraph (2).
- (6) In case the General Meeting of Shareholders was not held on the date and time set in the convening notice, minutes of the meeting shall be prepared containing the reasons for such case.
- (7) The minutes of the meeting provided at paragraph 6 shall be signed by the Chairman of the Board of Directors and by at least one technical secretary.

#### **Article 15 – General Meeting of Shareholders**

- (1) During the General Meeting of Shareholders, the shareholders may exercise their voting rights either personally or by representative.
- (2) Except as provided by law, each share grants the right to one vote in the General Meeting of Shareholders.
- (3) In case a shareholder abstains to vote in connection to one or more items on the agenda, it shall be considered for such shareholder to have waived its right to vote for such items on the agenda.

- (4) Voting during the General Meeting of Shareholders shall always be casted in writing on voting ballots.
- (5) The conventional representation of shareholders during the General Meeting of Shareholders shall be made subject to a special or general written power of attorney, according to the law.
- (6) The conventional representative of the shareholder cannot be replaced by another person.
- (7) In case the conventional representative is a legal person, it can exercise its power of attorney through any person who is a member of its board of directors, its management or is one of its employees.
- (8) In case the shareholder expressed its vote by correspondence for a General Meeting of Shareholders and it participates in person or by conventional representative to the meeting of the respective General Meeting of Shareholders, the vote expressed by correspondence is considered waived by that shareholder by effect of law without further formalities.
- (9) In case another person than the person who casted the vote by correspondence participates as conventional representative of the shareholder to the General Meeting of Shareholders, he/she shall present to the General Meeting of Shareholders a written waiver of the vote by correspondence signed by the shareholder or by the conventional representative who has expressed the vote by correspondence. This is not required in case the shareholder or the legal representative of the shareholder attends the General Meeting of Shareholders.
- (10) The voting ballots containing the vote by correspondence shall be filed in original copy at the Registry Desk of the Company, or shall be electronically communicated to the Company having the electronic signature incorporated, attached or logically associated, with at least 24 hours prior to the General Meeting of the Shareholders for which the vote by correspondence is exercised, if the law does not stipulate otherwise, under the penalty the vote is not binding.
- (11) In case of voting by conventional representative, the powers of attorney containing general or special mandates shall be filed with the Company's Registry Desk, or shall be electronically communicated to the Company having the electronic signature incorporated, attached or logically associated, with at least 24 hours prior to the General Meeting of the Shareholders for which such shall be exercised or exercised for the first time, if the law does not stipulate otherwise, under the penalty of losing the right to exercise the vote for that meeting.
- (12) In case of vote by legal representative, the proof of such authority shall be made simultaneously with filing/transmitting the vote by correspondence, or with accessing the General Meeting of Shareholders, as the case may be.
- (13) The deliberation of the Ordinary General Meeting of Shareholders at its first convening is valid if shareholders holding at least half of total voting rights are present, and the decisions are to be made by majority of validly casted votes.
- (14) For the second convening, with the same agenda, the Ordinary General Meeting of Shareholders will be able to make decisions irrespective of the quorum and with the majority of votes validly casted.
- (15) The deliberation of the first convening of the Extraordinary General Meeting of Shareholders is valid if shareholders holding at least half of total voting rights are present and decisions are made by majority of votes validly casted.

- (16) For the second convening with the same agenda, the Extraordinary General Meeting of Shareholders will be able to make decisions in case shareholders holding at least a quarter of the total number of voting rights are present and more than half of the votes are validly casted.
- (17) Relating to the validity of a decision of the General Meeting of Shareholders, should there be legal provisions mandatorily stipulating a different quorum or a different majority of votes than provided in the Articles of Incorporation, than such laws shall apply accordingly.
- (18) Upon calculating the quorum of a General Meeting of Shareholders, the following shall be taken into consideration:
  - a) the number of shares for which the shareholders attending the meeting in person or by representative cast a vote in person or by representative “in favour” or “against” or exercise the option to “abstain”;
  - b) the number of underlying shares for which the GDR issuers attending the meeting in person or by representative cast a vote “in favour” or “against” or exercise the option to “abstain”, according to the instructions received from the GDR holders.
- (19) The issuer of GDRs notifies the issuer of underlying shares on the number of underlying shares for which it votes during the General Meeting of Shareholders simultaneously with the filing/transmittal of the vote by correspondence, or upon calculating the quorum of the General Meeting of Shareholders.
- (19) The decision of a General Meeting of Shareholders to modify the rights and obligations related to a category of shares will be effective only upon the approval of such decision by the special meeting of shareholders included in that category.
- (20) The provisions of these Articles of Incorporation related to convening, quorum and performance of the General Meeting of Shareholders shall apply to the special meetings accordingly.
- (21) The decisions initiated by special meetings shall be subject to the approval of the corresponding General Meetings.

#### **Article 16 – Resolutions of the General Meeting of Shareholders**

- (1) The resolutions of the General Meeting of Shareholders will be prepared based on the minutes of meeting and will be signed by the Chairman of the Board of Directors and by the secretary of the meeting.
- (2) In order to be binding upon third parties, the resolutions of the General Meeting of Shareholders shall be filed with the Trade Register within 15 days, in order to be included in the register and published in the Official Gazette of Romania, Part IV.
- (3) The decisions made in the General Meeting of Shareholders are binding even upon the shareholders who were not present in the meeting or who voted against.
- (4) The decisions of the General Meeting of Shareholders that are not in compliance with the law or with the Articles of Incorporation can be challenged in court, under the conditions and terms provided by the law.

## **Article 17 – Organization of the Board of Directors**

- (1) The Company is governed by a Board of Directors composed of 7 (seven) Directors.
- (2) The majority of the members of the Board of Directors shall be non-executive and independent Directors, and at least one of them shall have a degree in economics and at least 5 years of experience in the fields of economics, accounting, audit or finance.
- (3) Directors are selected by the General Meeting of Shareholders in compliance with the applicable law and these Articles of Incorporation.
- (4) In case the cumulative vote method is applied, the Directors in office on the date of the General Meeting of Shareholders where the cumulative vote is applied shall be included on the list of candidates along with the candidates proposed by the shareholders.
- (5) The mandate of the Directors in office on the date of the Ordinary General Meeting of Shareholders where the cumulative vote is applied who are not reconfirmed by cumulative vote as members of the Board of Directors shall be deemed to be revoked by the resolution of the Ordinary General Meeting of Shareholders.
- (6) The mandate of the Directors in office on the date of the General Meeting of Shareholders where the cumulative vote was applied shall continue, in case they are reconfirmed by the cumulative vote method.
- (7) The Board of Directors elects from its membership the Chairman of the Board. The Board of Directors may revoke the mandate of the Chairman at any time.
- (8) No person shall serve simultaneously as Chairman of the Board of Directors and manager of the Company, or exercise both the mandates of Chairman of the Board of Directors and manager of the Company.
- (9) When the Chairman of the Board is temporarily unable to fulfil his/her duties, the Board of Directors may appoint another Director to exercise the mandate of the Chairman of the Board.
- (10) For the time period when there are no appointed Chairman and/or a Chairman substitute or, even if appointed, such are not able to exercise the Chairman's mandate, such mandate shall be exercised by the eldest member of the Board, as Chairman substitute, who is able to exercise such mandate.
- (11) All references herein to the Chairman of the Board of Directors shall also mean his/her substitute, to the extent the latter exercises the Chairman's mandate.
- (12) The Board of Directors shall appoint a Secretary who shall fulfil the registry and secretary works in connection with the Board's activity and shall support its activity.
- (13) The duration of the mandate of the members of the Board of Directors shall be 4 years, except as otherwise provided by law or herein.
- (14) The mandate of a Director and the mandate of the Chairman of the Board shall commence on the date provided in the appointment resolution or, in case such is not stipulated, on the first day following the resolution of appointing the person in charge with exercising the mandate of Director or Chairman of the Board of Directors, as the case may be.
- (15) The Director's mandate shall terminate upon its expiry, when revoked, upon his or her resignation, or for any other grounds of termination as provided by law, this Articles of Incorporation or the mandate contract.



- (16) In case the mandate is revoked on grounds not attributable to the director, he/she is entitled to receive from the Company a compensation for the remaining period of the mandate contract irrespective of the date of revocation.
- (17) The mandate of the Chairman of the Board of Directors shall terminate upon its expiry, when revoked, upon his or her resignation, and in all cases of termination of a Director's mandate.
- (18) The position of Director or Chairman of the Board of Directors becomes vacant upon termination of the mandate of Director or Chairman of the Board, as the case may be.
- (19) Vacancy of the positions of Director or Chairman of the Board shall be determined by resolution of the Board of Directors.
- (20) In case the position of Director becomes vacant before the expiry of the mandate, the newly appointed Director shall continue the term of its predecessor's mandate.
- (21) In case the Ordinary General Meeting of Shareholders decides on supplementing the number of Board members, the mandate duration of the first Directors appointed in the supplemented positions shall equal the remaining duration of the ongoing mandates as of the date of supplementing the number of Board members.
- (22) Appointment of a Director shall not be valid unless such person expressly acknowledges such appointment within 15 days of the appointment resolution or the date she or he has taken note of the appointment resolution, by written statement, submitted to the Company.
- (23) Resignation of the mandate as Director or Chairman shall be notified to the Board of Directors at least 30 days prior to the date intended to vacate the position by resignation, under the penalty of payment of compensation.

#### **Article 18 – Directors' Rights and Obligations**

- (1) Directors' rights and obligations, as well as their incompatibility cases, are provided by the Director Agreements/Contracts of Mandate concluded with the Company, these Articles of Incorporation and the legal provisions applicable to public company directors.
- (2) The Directors submit to the Company, *ex officio* or upon the Company's request, all identification and contact data and any other personal data required to ensure the conditions to fulfil the Company's obligations, as provided by law or by these Articles of Incorporation.
- (3) In case data provided in accordance with paragraph 2 is modified, the new data shall be submitted *ex officio* by the Director.

#### **Article 19 – Board of Directors Competencies**

- (1) The Board of Directors shall perform all acts that are required and useful to achieve the scope of business of the Company, except for those under the competence of the General Meeting of Shareholders as provided by law.
- (2) The Board of Directors shall delegate the competencies of managing the Company in accordance with the conditions and limitations provided by law and these Articles of Incorporation.
- (3) The Board of Directors shall have the following basic competencies that may not be delegated to managers:

- a) Establishing the core business and the development directions of the Company;
  - b) Approval of the Company Management Plan;
  - c) Establishing the accounting policies, the internal administration control system as well as approval of financial planning;
  - d) Appointment and dismissal of the managers, including the Director General and establishment of their remuneration;
  - e) Control of managers' activity;
  - f) Preparing the Board of Directors annual report;
  - g) Organising the meetings of the General Meeting of Shareholders, and implementing its resolutions;
  - h) Filing requests for opening proceedings to prevent insolvency and insolvency proceedings of the Company;
  - i) Elaboration of rules regarding the own activity and rules for advisory committees and managers so as not to contravene the provisions of law and these Articles of Incorporation;
  - j) Establishing or dissolution of secondary offices (branches, agencies, branch offices or any other work locations);
  - k) Other competencies of the Board of Directors that cannot be delegated in accordance with the law.
- (4) The Chairman of the Board of Directors shall have the following competencies:
- a) Chairs the General Meeting of Shareholders;
  - b) Convenes, establishes the agenda and chairs the Board of Directors meetings;
  - c) Coordinates the Board of Directors activity;
  - d) Overlooks the activity of Company bodies;
  - e) Represents the Board of Directors in the relationship with the managers of the Company;
  - f) Other competencies provided by law or herein;

#### **Article 20 – Convening the Board of Directors Meetings**

- (1) The Board of Directors convenes as often as it is necessary, but at least every three months.
- (2) Meetings of the Board of Directors shall be convened by the Chairman: *ex officio*, upon the reasonable request of at least 2 Directors or upon the Director General's request.
- (3) If a meeting of the Board of Directors is convened by Directors or by the Director General, the agenda shall be established by the requestors, and the Chairman shall have to comply with the request.
- (4) Meetings of the Board of Directors are usually held by meeting in person of the Directors at the registered office of the Company or in another location established by the convening notice.
- (5) Meetings of the Board of Directors may be also held by conference call or videoconference, under the terms established by the resolution of the Board of Directors.
- (6) The convening notice shall include the venue by indicating the address, the date and time of the meeting, the agenda and how the voting rights may be exercised.

- (7) In the case provided at paragraph (5), the convening notice shall include the date and time of the meeting, the agenda, how the communication is to be made, and how the voting rights may be exercised.
- (8) The convening notice accompanied by materials related to the items on the agenda shall be submitted to the Directors not later than 5 days prior to the date set for the meeting of the Board of Directors.
- (9) The Board of Directors, while convened, may adopt resolutions on issues that are not included on the agenda proposed in the convening notice only in exceptional situations, justified by the emergent nature of such situation and by the Company's interest. The Board of Directors shall decide whether the exceptional nature of such situation and the Company's interest require adoption of resolutions during the respective meeting.
- (10) In exceptional situations, justified by their emergent nature and the Company's interest, the Board of Directors may take decisions by unanimous vote expressed in writing by the Directors even without convening a meeting. The Chairman of the Board of Directors shall decide whether the exceptional nature of such situation and the Company's interest require adoption of resolutions in writing without convening a meeting.

#### **Article 21 – Meetings of the Board of Directors**

- (1) Board meetings shall be chaired by the Chairman.
- (2) The Directors shall have to be present and participate actively in the meetings of the Board of Directors.
- (3) No decision shall be valid unless taken in a meeting where the majority of the Board members are present and with the majority of the valid casted votes.
- (4) Votes in the meetings of the Board of Directors may be casted directly or by representative.
- (5) Vote by representative may not be casted unless the representative is another Director under a special mandate.
- (6) For voting purposes, a Director may represent only one absent Director.
- (7) The direct vote may be casted by correspondence or by electronic means, under the conditions set by the resolution of the Board of Directors.
- (8) Each Director has the right to cast a single vote, directly or by representative, when a decision is taken by the Board of Directors.
- (9) In case of parity of votes, the Chairman's vote is decisive.
- (10) If in a certain business a Director has an interest to the contrary to the Company's interests, directly or indirectly, the Director shall have to inform the other Directors and the internal auditor of such, and he/she shall not take part in any deliberation related to such business. Such Director shall have the same obligation in case he/she is aware that, for a certain business, his/her husband, wife, relatives or in-laws up to the 4<sup>th</sup> degree inclusively are interested in such business.
- (11) The meetings of the Board of Directors shall be audio recorded and such recordings shall be archived by due care of the Secretary of the Board of Directors.

## **Article 22 – Minutes of the Meeting and the Resolution of the Board of Directors**

- (1) Minutes of meetings shall be prepared after each Board meeting and shall include: first and last name of the participating Directors, the representing Directors, the order of deliberations, the decisions taken, the number and nature of votes casted, for each decision, the manner of voting and, upon request, the separate opinions.
- (2) The minutes shall be recorded in the Register of Board Meetings and shall be signed by the Chairman and by the Directors present at the meeting.
- (3) The Board resolution shall be issued based on the minutes of the meeting and shall include all the decisions taken during that meeting.
- (4) The resolution prepared in accordance with the above mentioned paragraph shall be signed by the Chairman.
- (5) A file shall be prepared for each Board meeting comprising all documents related to the convening, the materials presented in the meeting to support the items of the agenda, the resolution of the Board, and, as the case may be, the power of attorney for the vote by representative, the letters for casting the vote by correspondence and the copies of the letters for casting the vote by electronic means, certified by the Secretary.
- (6) Except as provided by law, the resolutions of the Board may be challenged in court under the terms and conditions provided by law.

## **Article 23 – Advisory Committees**

- (1) The Nomination and Remuneration Committee and the Audit Committee shall be established within the Board of Directors.
- (2) The Board of Directors may also establish other advisory committees.
- (3) The Board of Directors shall appoint the members of each advisory committee, whereby one shall be appointed as chairman of the committee. The Chairman and the majority of the Nomination and Remuneration Committee and the Audit Committee members shall be independent directors.
- (4) The capacity as member of the advisory committees terminates by revoking, resignation, and in all cases of termination of the Director's mandate.
- (5) Refusal to accept the capacity as member or as chairman of an advisory committee or resignation as member or chairman of an advisory committee without providing solid arguments represents a righteous reason for the General Meeting of Shareholders to exercise its right to revoke the mandate as Director.
- (6) In case of termination of the capacity as member or chairman of an advisory committee, the Board appoints another Director for the vacant position.
- (7) The meetings of each committee shall be convened by the respective chairman and shall contain at a minimum the venue, date and time of the meeting, as well as the agenda.
- (8) The chairman of each advisory committee shall chair the meetings and represent the committee in the relationship with the Board.

- (9) If the chairman of the committee is not able to exercise his/her competences, he/she may authorise another person to exercise the competences, inclusive the voting right, subject to a special mandate.
- (10) The members of the advisory committees shall have to participate in the meetings of the committee.
- (11) Each member of the committee has the right to cast a single vote, personally or by representative, on a decision of the committee. In case of an equal number of votes, the chairman's vote will be decisive.
- (12) No decision shall be valid unless the two conditions stated below are cumulatively fulfilled:
  - a) the decision is taken in a meeting where the majority of the Board members are present;
  - b) the decision is taken with the majority of the valid casted votes.
- (13) The minutes of the meeting shall be prepared for each meeting of the advisory committee and shall comprise the first and last name of the present members, the decisions taken, the number and kind of votes casted for each decision and, upon request, separate opinions.
- (14) Each advisory committee mentioned under paragraph (1) shall comprise non-executive directors, including at least one independent director.
- (15) The Board of Directors may subsequently regulate the activity of the advisory committees, so as not to contravene the legal provisions or these Articles of Incorporation.
- (16) Main responsibilities of the Nomination and Remuneration Committee are the following:
  - a) formulates nominations for director positions, including the Chairman of the Board of Directors;
  - b) prepares and submits the procedure for selection of candidates for management positions;
  - c) recommends candidates for management positions;
  - d) prepares recommendations on remuneration of managers;
  - e) other duties that are established by the Board of Directors, or provided by the law.
- (17) Main responsibilities of the Audit Committee are as follows:
  - a) coordinates the internal audit;
  - b) coordinates the selection of the statutory auditor or audit firm and issues a recommendation on the appointment of the statutory auditor or audit firm;
  - c) verifies and monitors the independence of the statutory auditor or audit firm;
  - d) monitors the financial reporting process;
  - e) monitors the effectiveness of internal control, internal audit, and risk management systems;
  - f) endorses the annual and multiannual internal audit plan;
  - g) endorses the internal audit reports and the recommendations of the internal auditors;
  - h) monitors the statutory audit of annual financial statements and consolidated annual financial statements;
  - i) other duties established by the Board of Directors or provided by the law.

## **Article 24 –Managers**

- (1) The Board of Directors delegates, fully or partially, the managing competencies of the Company to one or more managers, appointing one of them as Director General.
- (2) The Board of Directors shall appoint the manager/managers to whom the managing competencies of the Company shall be delegated, according to paragraph (1), in compliance with applicable legal provisions related to appointment of public companies managers.
- (3) Manager/managers shall be responsible for taking all measures relating to the management of the Company, within the scope of the Company’s activity and in compliance with the exclusive competencies of the Board of Directors and of the General Meeting of Shareholders, provided by the law or these Articles of Incorporation.
- (4) Manager/managers shall inform the Board of Directors upon the performed and considered operations on a regular basis and comprehensively.
- (5) The Director General shall represent the Company in the relationship with third party, including the law court.
- (6) The duration of the manager’s mandate shall last 4 years and may be renewed.
- (7) The manager’s mandate shall terminate upon expiry, by revocation of mandate, resignation, as well as any other cause of termination of mandate provided by law, these Articles of Incorporation or the Contract of Mandate.
- (8) In case the mandate is revoked on reasons not imputable to the manager/managers, he/she/they is/are entitled to a compensation for the remaining period of the contract, irrespective of the date of revocation.
- (9) The appointment of a manager shall not be valid unless such person expressly acknowledges such appointment within 15 days of the appointment resolution or the date she or he has taken note of the appointment resolution, by written statement, submitted to the Company.
- (10) Resignation of the manager shall be notified to the Board of Directors at least 30 days prior to the date intended to vacate the position by resignation, under the penalty of payment of compensation.
- (11) Vacancy of a manager position shall be determined by resolution of the Board of Directors.
- (12) For the purpose of these Articles of Incorporation, “*manager*” means the person to whom the Board of Directors delegated the managing competencies, in accordance with Paragraph (1). At the same time, for the purpose of these Articles of Incorporation, the term “*manager*” includes also the Director General.

## **Article 25 – Rights and Obligations of the Managers and the Director General**

- (1) The managers’ rights and obligations, including the Director General’s ones, as well as their incompatibility situations are those provided by the Contracts of Mandate, the Resolution of the Board of Directors on delegating the Company managing competencies, the provisions of these Articles of Incorporation, and the legal provisions applicable to managers of joint stock companies.
- (2) The managers shall submit to the Company, *ex officio* or upon the request of the Chairman of the Board of Directors, the identification and contact data required to exercise the rights and fulfil the Company’s obligations, as provided by law or these Articles of Incorporation.

- (3) In case data provided in accordance with paragraph 2 is modified, the new data shall be submitted *ex officio* by the managers.

#### **Article 26 - Company Interdictions in the Relationship with Directors and Managers**

- (1) The Company shall not credit its directors or managers by operations such as:
  - a) Loans;
  - b) Guarantee, directly or indirectly, fully or partially, any loans contracted by directors or managers, whether concurrently or subsequently to contracting the loan;
  - c) Guarantee, directly or indirectly, fully or partially, fulfilment of personal obligations of directors and managers to third parties.
  - d) Acquisition of a receivable by onerous title, fully or partially, related to a loan given by a third party to directors or managers or related to supply of personal services to them.
- (2) The provisions of paragraph (1) are also applicable to operations where the husband or wife, relatives or in-laws up to the 4<sup>th</sup> degree inclusively of the directors or managers are interested in, or to a non-stock professional corporation or trading company where one of the above mentioned persons is associated.

#### **Article 27 – Financial Audit and Internal Audit**

- (1) The Company's financial statements shall be audited by a financial auditor in accordance with the law.
- (2) The annual financial statements audited in accordance with the law shall be filed with the district units of the Ministry of Public Finance in accordance with the law.
- (3) The Company shall contract the services of the auditor in accordance with the applicable law.
- (4) The company shall organize the internal audit in accordance with the applicable law related to internal public audit.
- (5) Internal auditors report directly to the Board of Directors on their activity.

#### **Article 28 –Personnel**

- (1) The Company's personnel shall have the statute of salaried employees and shall be hired under individual labour contracts.
- (2) The Company may also have executive managers for activity fields involving a high amount and/or complexity of activities, as well as for activities organized and performed through branches, agencies or branch offices.
- (3) The executive managers are salaried employees of the Company.
- (4) The rights and obligations of the Company's employees are established by the labour contracts concluded with the Company, the applicable legal provisions related to labour relationship, and the internal rules of Company organisation.

### **Article 29 – Financial Year**

- (1) The financial year begins on January 1<sup>st</sup> and ends on December 31<sup>st</sup> in each year.
- (2) The first financial year begins on the registration date of ROMGAZ S.A. at the Trade Register Office.

### **Article 30 – Income and Expenditure Budget and Business Financing**

- (1) During the period when the Company does not have an approved income and expenditure budget, the provisions of the latest approved budget shall be applicable.
- (2) The Company's business shall be financed from financing sources established in accordance with the law.

### **Article 31 – Fixed Assets Depreciation**

Depreciation of the Company's fixed assets shall be calculated in accordance with the depreciation method established by the Board of Directors in accordance with the legal provisions.

### **Article 32 Accounting Records and Financial Statements**

- (1) ROMGAZ S.A. shall keep the accounting records in RON and shall prepare annual financial statements in compliance with the law.
- (2) Upon approval, the financial statements shall become public under the terms and conditions of the law.

### **Article 33 – Profit Calculation and Allocation**

- (1) ROMGAZ S.A. profit is established on the basis of the annual financial statements approved by the General Meeting of Shareholders.
- (2) ROMGAZ S.A. profit remaining after payment of the income tax shall be allocated in accordance with the law, as provided by the resolution of the Ordinary General Meeting of Shareholders.
- (3) Dividends shall be paid in accordance with the resolution of the Ordinary General Meeting of Shareholders, under the terms and conditions of the law.
- (4) The Company shall pay the dividends to the issuer of DRs proportionally to its stockholding as of the record date set by the General Meeting of Shareholders approving the distribution of such dividends, under the same terms and conditions and in compliance with the same procedure as for the other shareholders. The issuer of DRs is fully responsible to ensure that the holders of DRs shall receive the amounts resulting from payment of the received dividends, proportionally to their stockholding as of the record date set by the General Meeting of Shareholders approving the distribution of such dividends.
- (5) The Company shall not distribute and pay dividends either partially or in advance.



**Article 34 –Dissolution and Winding-Up**

ROMGAZ S.A. dissolution and winding up shall be performed in accordance with the law.

**Article 35 – Final Provisions**

The provisions of these Articles of Incorporation shall be supplemented by the provisions of the applicable law related to trading companies.

This deed is the updated form of the Articles of Incorporation of Societatea Nationala de Gaze Naturale “ROMGAZ” – S.A., as approved by Resolution No. .... of....., 2015 of the Extraordinary General Meeting of Shareholders.

**BOARD OF DIRECTORS**

**CHAIRPERSON**

**Aurora NEGRUT**

**LIST**  
**comprising the Branches of**  
**Societatea Națională de Gaze Naturale “ROMGAZ” – S.A.:**

<i>Item No.</i>	<i>Branch Name</i>	<i>Location</i>	<i>Headquarters</i>
1.	<b>S.N.G.N. “ROMGAZ” – S.A. Medias Branch</b>	Medias	4 Unirii St., Sibiu County
2.	<b>S.N.G.N. “ROMGAZ”- S.A. Targu Mures Branch</b>	Targu Mures	23 Salcamilor St., Mures County
3.	<b>S.N.G.N. “ROMGAZ”- S.A. Ploiesti Branch</b>	Ploiesti	184 Gheorghe Grigore Cantacuzino St., Prahova County
4.	<b>S.N.G.N. “ROMGAZ”- S.A. Technological Transportation and Maintenance Branch</b>	Targu Mures	6 Barajului St., Mures County
5.	<b>S.N.G.N. “ROMGAZ”- S.A. Well Special Operations and Workover Branch</b>	Medias	5 Sibiului St., Sibiu County
6.	<b>S.N.G.N. “ROMGAZ”- S.A. Bratislava Branch</b>	Bratislava	City Business Centre V., Karadžičova 16, 821 08, Republic of Slovakia
7.	<b>S.N.G.N. “ROMGAZ”- S.A. Iernut Electric Power Production Branch</b>	Iernut	1 Energeticii St., Mures County

**Proposed modification to the Articles of Incorporation  
of Societatea Nationala de Gaze Naturale „Romgaz” S.A.**

- **Article 1 shall be modified to read as follows:**

**Article 1 - Business Name**

The name of the company is Societatea Nationala de Gaze Naturale “Romgaz” - SA, hereinafter referred to as “ROMGAZ S.A” or the “Company”.

- **Article 2 shall be modified to read as follows:**

**Article 2 - Legal Form**

ROMGAZ S.A is a Romanian legal entity, its legal form is a joint-stock company and it performs its activities according to the Romanian Law and this Articles of Incorporation.

- **Article 3 shall be modified to read as follows:**

**Article 3 - Registered Office**

- (1) ROMGAZ S.A. headquarters is located in Medias, 4 C.I. Motas Square, Sibiu County.
- (2) ROMGAZ S.A headquarters may be changed subject to a resolution of the Extraordinary General Meeting of Shareholders.
- (3) ROMGAZ S.A is composed of 7 (seven) branches, provided for in annex “Branches of Societatea Nationala de Gaze Naturale “ROMGAZ” - S.A” attached hereto.
- (4) ROMGAZ S.A may set up or dissolve secondary offices (branches, agencies, offices or any other work locations) subject to a resolution of the Board of Directors.

- **Article 4 shall be modified to read as follows:**

**Article 4 - Duration**

The Company is set up for an unlimited time period.

- **Article 5 shall be modified to read as follows:**

**Article 5 – Field and Scope of Activities**

- (1) The core business of the Company, according to the Classification of Activities in the National Economy (CAEN Rev. 2) is extraction of natural gas (CAEN code: 062).
- (2) The main scope of activity is extraction of natural gas (CAEN code: 0620);
- (3) The Company may perform the following secondary activities:

Code	Activity
CAEN	
5210	Underground storage of natural gas
0910	Support activities for petroleum and natural gas extraction
3522	Distribution of gaseous fuels through mains
3523	Trade of gas through mains
4671	Wholesale of solid, liquid and gaseous fuels and related products
0610	Extraction of crude petroleum

0899	Other mining and quarrying n.e.c.
0990	Support activities for other mining and quarrying
1920	Manufacture of refined petroleum products
2011	Manufacture of industrial gases
7120	Technical testing and analysis, including of natural gas
4950	Transport via pipeline, other than main pipelines
4941	Freight transport by road
4939	Other passenger land transport n.e.c
5221	Service activities incidental to land transportation
5224	Cargo handling
4520	Maintenance and repair of motor vehicles
3311	Repair of fabricated metal products
3312	Repair of machinery
3313	Repair of electronic and optical equipment
3314	Repair of electrical equipment
3317	Repair and maintenance of other transport equipment n.e.c.
3319	Repair of other equipment
2562	Machining
7112	Engineering activities and related technical consultancy
7490	Other professional, scientific and technical activities n.e.c.
7711	Renting and leasing of cars and light motor vehicles
7712	Renting and leasing of trucks
7732	Renting and leasing of construction and civil engineering machinery and equipment
7739	Renting and leasing of other machinery, equipment and tangible goods
6820	Renting and operating of own or leased real estate
3511	Production of electricity
3512	Transmission of electricity
3513	Distribution of electricity
3514	Trade of electricity
3600	Water collection, treatment and supply
3530	Steam and air conditioning supply
7120	Technical testing and analysis, including of natural gas
2059	Manufacture of other chemical products n.e.c.
3821	Treatment and disposal of non-hazardous waste
3811	Collection of non-hazardous waste
3812	Collection of hazardous waste
3831	Dismantling of wrecks
3832	Recovery of sorted materials
4120	Construction of residential and non-residential buildings
4211	Construction of roads and motorways
4212	Construction of railways and underground railways
4213	Construction of bridges and tunnels
4221	Construction of utility projects for fluids
4222	Construction of utility projects for electricity and telecommunications
4299	Construction of other civil engineering projects n.e.c.
4311	Demolition
4312	Site preparation
3320	Installation of industrial machinery and equipment
4321	Electrical installation

4322	Plumbing, heat and air conditioning installation
4332	Joinery installation
4333	Floor and wall covering
4339	Other building completion and finishing
4329	Other construction installation
4399	Other specialised construction activities n.e.c.
4662	Wholesale of machine tools
4663	Wholesale of mining, construction and civil engineering machinery
4675	Wholesale of chemical products
4677	Wholesale of waste and scrap
4711	Retail sale in non-specialised stores with food, beverages or tobacco predominating
4778	Other retail sale of new goods in specialised stores
4779	Retail sale of second-hand goods in stores
2529	Manufacture of other tanks, reservoirs and containers of metal
2511	Manufacture of metal structures and parts of structures
2512	Manufacture of doors and windows of metal
2599	Manufacture of other fabricated metal products n.e.c.
3299	Other manufacturing n.e.c.
2711	Manufacture of electric motors, generators and transformers
2712	Manufacture of electricity distribution and control apparatus
6010	Radio broadcasting
6020	Television programming and broadcasting activities
6110	Wired telecommunications activities
6120	Wireless telecommunications activities
6130	Satellite telecommunications activities
6190	Other telecommunications activities
6492	Other credit granting
6499	Other financial service activities, except insurance and pension funding n.e.c.
6612	Security and commodity contracts brokerage
6619	Other activities auxiliary to financial services, except insurance and pension
7022	Business and other management consultancy activities
7111	Architectural activities
8020	Security systems service activities
8532	Technical and vocational secondary education
8560	Educational support activities
7911	Travel agency activities
7912	Tour operator activities
5510	Hotels and similar accommodation
5520	Holiday and other short-stay accommodation
5530	Camping grounds, recreational vehicle parks and trailer parks
5590	Other accommodation
7990	Other reservation service and related activities
5610	Restaurants and mobile food service activities
5621	Event catering activities
5629	Other food service activities
5630	Beverage serving activities
4619	Agents involved in the sale of a variety of goods
8621	General medical practice activities
8622	Specialist medical practice activities

8710	Residential nursing care activities
8623	Dental practice activities
8690	Other human health activities
9311	Operation of sports facilities
9312	Activities of sport clubs
9313	Fitness facilities
9319	Other sports activities
9329	Other amusement and recreation activities n.e.c.

• **Article 6 shall be modified to read as follows:**

**Article 6 – Share Capital**

- (1) ROMGAZ S.A share capital is RON 385,422,400, fully subscribed and paid up.
- (2) The share capital is divided in 385,422,400 shares, each having a nominal value of Ron 1.
- (3) The Romanian State owns 269,823,080 shares.
- (4) The Romanian State exercises its rights as shareholder of ROMGAZ S.A through the Ministry of Energy, Small and Medium Enterprises and the Business Environment, having the headquarters in Bucharest, Splaiul Independentei no. 202E, district 6.
- (5) A number of 115,599,320 shares are held by Romanian or foreign, legal and individual shareholders, other than the Romanian State.

• **Article 7 shall be modified to read as follows:**

**Article 7 - Increase and Reduction of Share Capital**

- (1) The share capital may be increased by issue of new shares or by increasing the nominal value of existing shares in exchange of new contribution in cash and/or in kind.
- (2) The share capital may be reduced by reducing the number of shares, by reducing the nominal value of shares, as well as by buyback of own shares for subsequent annulment.
- (3) In case the Board of Directors observes that further to losses stated in the annual financial statements, approved according to the law, the net asset of the Company, representing the difference between total assets and total debts, has decreased to less than half of the subscribed share capital, it shall immediately call for the Extraordinary General Meeting of Shareholders in order to decide on the reduction or restoring of the share capital or on dissolving the Company.

• **Article 8 shall be modified to read as follows:**

**Article 8 – Shares**

- (1) Company shares are nominative, ordinary, non-divisible, dematerialized and free transferable.
- (2) Preference shares may be issued in compliance with the law, subject to a Resolution of the Extraordinary General Meeting of Shareholders, with priority to dividends and without voting right.
- (3) Issue, conversion and sale of shares shall be done in compliance with the legal provisions and this Articles of Incorporation.
- (4) When a nominative share is owned by several persons, the transfer of the ownership shall be recorded only after a single representative is appointed for voting purposes resulted from such share.
- (5) An independent registrar company shall supervise the Company shares and shareholders, by complying with legal conditions and proceedings.

- (6) For the period when the Company shares are traded on a regulated Romanian market depository receipts may be issued, the shares issued by the Company underlying such depository receipts. The depository receipts may be issued by an entity, other than the Company, considering that the depository receipts shall be admitted to trading on a regulated market in another member state of the European Union, with the approval of the Extraordinary General Meeting of Shareholders.

- **Article 9 shall be modified to read as follows:**

**Article 9 – Depository Receipts**

- (1) Depository receipts are securities, granting the holder the rights and obligations for the shares underlying them.
- (2) Depository receipts grant the right to obtain Company shares through conversion. Conversion is made according to applicable laws.
- (3) In addition and without violating the above mentioned, depository receipt holders are granted the right to own Company shares.

- **Article 10 shall be modified to read as follows:**

**Article 10 – Shareholders Rights and Obligations**

- (1) When a person acquires the property right of a share, it also acquires the rightful position as shareholder of ROMGAZ S.A together with all rights and obligation arising out of this position, according to the law and this Articles of Incorporation.
- (2) In compliance with all exceptions provided by law, each share whose value was subscribed and fully paid up, grants the shareholder the right:
  - a) to participate in the general meetings of shareholders;
  - b) to obtain information necessary for exercising the voting right and the information related to the voting result in the General Meeting of Shareholders;
  - c) to cast a vote in the General Meeting of Shareholders;
  - d) to receive the payment of the dividends due;
  - e) preference right for subscribing for newly issued shares;
  - f) to equal treatment for all shareholders of the same class;
  - g) any other rights provided by law and this Articles of incorporation.
- (3) Shareholders have to exercise their rights in good faith by complying with the lawful rights and interests of the Company and of the other shareholders.
- (4) If, related to a certain operation, a shareholder, either personally or as representative of another person, has an interest contrary to that of the Company; it shall abstain from the deliberations on such operation.
- (5) Shareholders shall transmit to the Company ex officio or at the request of the Company, all identification and contact data necessary for complying with all conditions related to the exercise of rights and to the fulfilment of Company obligations, provided by law or by this Articles of Incorporation.
- (6) If the data transmitted change, the new data shall be sent by the shareholders ex officio, according to paragraph 5.

- **Article 11 shall be modified to read as follows:**

#### **Article 11 – Exercise of Rights by Holders of Depositary Receipts (DR)**

- (1) Rights and obligations with respect to shares underlying depositary receipts rest on holders of depositary receipts pro rata with their holding and in consideration of the conversion rate between underlying shares and depositary receipts.
- (2) The issuer of depositary receipts on whose behalf shares underlying depositary receipts are recorded is shareholder within the meaning of and according to Regulation 6/2009 on the exercise of certain rights of shareholders within the general meetings of shareholders of trading companies. To this effect, the issuer of depositary receipts is fully responsible for providing accurate, complete and timely information to holders of depositary receipts, by complying with the instructions written on the documents related to the issue of depositary receipts, referring to informational documents and materials of a General Meeting of Shareholders supplied by the Company for the shareholders.
- (3) For a DR holder to exercise his obligations and rights with respect to a General Meeting of Shareholders, such holder shall transmit to the entity where his depositary receipt account is open, the voting instructions related to the agenda of the General Meeting of Shareholders, so that such information may be sent to the DR issuer.
- (4) The issuer of depositary receipts casts his vote in the General Meeting of Shareholders of the Company in compliance with and within the limits of the instructions received from the DR holders, which have this right on the reference date established according to applicable legal provisions and by complying with the instructions written on the document related to the issue of depositary receipts.
- (5) For certain underlying shares, the DR issuer may cast in the General Meeting of Shareholders different votes than those casted for other underlying shares.
- (6) The DR issuer is fully responsible for taking all necessary measures so that the entity keeping record of DR holders, intermediaries providing custody services on the market DR are traded and/or any other entities involved in keeping record of DR holders report the voting instructions of DR holders on the agenda of the General Meeting of Shareholders.

- **Article 12 shall be modified to read as follows:**

#### **Article 12 – Organization and Powers of the General Meeting of Shareholders**

- (1) The general meetings of shareholders are ordinary and extraordinary.
- (2) The ordinary general meetings of shareholders shall meet at least once a year, within 5 months from closing of financial year.
- (3) The Ordinary General Meeting of Shareholders is authorized to decide upon any issues related to Company's activity, except for those provided by law to fall within the powers of the Extraordinary General Meeting of Shareholders.
- (4) The main powers of the Ordinary General Meeting of Shareholders are the following:
  - a) Approving the strategic objectives of the Company;
  - b) Discussing, approving or modifying, as the case may be, the annual financial statements of the Company on the basis of the reports submitted by the Board of Directors and by the financial auditor, and to set the dividend;
  - c) Discussing, approving or requiring the supplementation or review, as the case may be, of the governing plan, under the provisions of the law;
  - d) Establishing the income and expenditure budget for the next financial year;
  - e) Selecting and dismissing the members of the Board of Directors, and to establish their remuneration;



- f) Assessing the Board of Directors' governing activity.
  - g) Appointing and dismissing the financial auditor, and setting the minimum duration of the financial audit contract;
  - h) Setting rules on the activity of the General Meeting of Shareholders without violating any legal provisions and this Articles of Incorporation;
  - i) Concluding acquisition documents for non-current assets having an individual or cumulated value exceeding during one financial year 10% of the Company's total value of non-current assets, excluding receivables, to the same co-contractor or involved persons or to persons acting by joint agreement.
  - j) Concluding documents for divestiture, exchange or submission of guarantees for Company's non-current assets having an individual or cumulated value exceeding during one financial year 10% of the Company's total value of non-current assets, excluding receivables;
  - k) Authorising bond loans whose value exceeds, individual or cumulated, with other ongoing bond loans, the equivalent value in lei of Euro 100 million;
  - l) Contracting of bank loans having the value, individual or cumulated, with other ongoing bank loans, higher than the equivalent value in lei of EUR100 million.
  - m) Authorizing loans to companies having the value, individual or cumulated, with other ongoing loans to companies, higher than the equivalent value in lei of EUR 50 million.
  - n) Concluding documents for guarantees, other than those related to non-current assets of the Company, having an individual or cumulated value in relation to other ongoing guarantees, other than guarantees related to non-current assets, higher than the equivalent value in lei of EUR 50 million.
- (5) The Ordinary General Meeting of Shareholders cannot mandate the Board of Directors to carry out the powers provided under paragraph (4).
- (6) The Extraordinary General Meeting of Shareholders meets as often as required to decide upon the following:
- a) Changing the legal status of Company;
  - b) Changing the head office of the Company;
  - c) Modifying the scope of activity of the Company;
  - d) Establishing legal persons or partnerships in order to create entities with or without legal personality;
  - e) Increasing the share capital;
  - f) Reducing the share capital or replenish it by issue of new shares;
  - g) Company's merger with other companies or Company's spin-off;
  - h) Early winding-up of the Company;
  - i) Conversion of shares from one category to the other;
  - j) Conversion of a category of bonds to another category or to shares;
  - k) Issue of bonds;
  - l) Concluding acquisition documents for non-current assets having an individual or cumulated value exceeding during one financial year 20% of the Company's total value of non-current assets, excluding receivables;
  - m) Concluding documents for divestiture, exchange or submission of guarantees for Company's non-current assets having an individual or cumulated value exceeding during one financial year 20% of the Company's total value of non-current assets, excluding receivables;
  - n) Concluding leasing documents for some tangible assets whose individual or cumulated value in relation to the same co-contractor or involved persons acting by joint agreement

during one financial year exceeds 20% of the Company's total value of non-current assets, excluding receivables;

- o) Any other amendment to the Articles of Incorporation or any other decision requiring the approval of the Extraordinary General Meeting of Shareholders.
- (7) The Extraordinary General Meeting of Shareholders may delegate to the Board of Directors the powers provided under paragraph (5), letters b) and c), in compliance with the legal provisions and this Articles of Incorporation.

- **Article 13 shall be modified to read as follows:**

**Article 13 – Convening the General Meeting of Shareholders**

- (1) The General Meeting of Shareholders shall be convened by the Board of Directors, whenever necessary.
- (2) The Board of Directors convenes the General Meeting of Shareholders at once, upon the shareholders request representing, individually or together, at least 5 % of the share capital. In this case the General Meeting of Shareholders will be convened within 30 days and will meet within 60 days from the receipt of the request.
- (3) The General Meeting of Shareholders will meet at Company's headquarters or in a place indicated in the convening notice.
- (4) Convening of General Meeting of Shareholders shall be made in compliance with the conditions, terms and publicity proceedings provided by law.
- (5) The Convening Notice will include the place and date of the meeting, the meeting commencement time, the agenda that will mention explicitly all the issues under debate, the reference date, how the votes can be casted and a detailed description of the procedure that has to be followed by the shareholders in order to be able to cast their votes.
- (6) Modification or supplementation, as the case may be, of the agenda after convening of the General Meeting of Shareholders, shall be made in compliance with the conditions, terms and proceedings provided by law.
- (7) If the Board of Directors does not convene the General Meeting of Shareholders according to paragraph 2, the shareholders who submitted the request for convening may require the competent court to authorize the convening of the General Meeting of Shareholders, to approve the agenda and to set the reference date, the date and time of the meeting and to appoint one of the shareholders to chair the meeting.

- **Article 14 shall be modified to read as follows:**

**Article 14 - Organizing the General Meeting of Shareholders**

- (1) General Meeting of Shareholders are chaired by the Chairman of the Board of Directors.
- (2) The General Meeting of Shareholders shall elect, from among the present shareholders, 1(one) to 3(three) secretaries who will check the record of attendance indicating the share capital represented by each and the minutes of the meeting prepared by the technical secretary/secretaries in order to note the fulfilment of all legal and statutory formalities for holding the meeting.
- (3) The Chairman of the Board will appoint from among the employees of the Company one or more technical secretaries that will check the fulfilment of all legal and statutory formalities for holding the meeting.
- (4) The minutes of the meeting signed by the Chairman of the Board of Directors and by the meeting secretary, will note the fulfilment of all convening formalities, the date and place of the meeting, the present or represented shareholders, the total number of shares/voting rights, a summary of the

debates, the decisions made, and correlatively the number and kind of votes casted for each decision and at the shareholders' request, the statements they made during the meeting.

- (5) All documents related to convening and the record of attendance shall be attached to the minutes of the meeting prepared according to paragraph (2).
- (6) In case the General Meeting of Shareholders was not held on the date and time set in the convening notice, minutes of the meeting shall be prepared containing the reasons for such case.
- (7) The minutes of the meeting provided at paragraph 6 shall be signed by the Chairman of the Board of Directors and by at least one technical secretary.

• **Article 15 shall be modified to read as follows:**

**Article 15 – General Meeting of Shareholders**

- (1) During the General Meeting of Shareholders, the shareholders may exercise their voting rights either personally or by representative.
- (2) Except as provided by law, each share grants the right to one vote in the General Meeting of Shareholders.
- (3) In case a shareholder abstains to vote in connection to one or more items on the agenda, it shall be considered for such shareholder to have waived its right to vote for such items on the agenda.
- (4) Voting during the General Meeting of Shareholders shall always be casted in writing on voting ballots.
- (5) The conventional representation of shareholders during the General Meeting of Shareholders shall be made subject to a special or general written power of attorney, according to the law.
- (6) The conventional representative of the shareholder cannot be replaced by another person.
- (7) In case the conventional representative is a legal person, it can exercise its power of attorney through any person who is a member of its board of directors, its management or is one of its employees.
- (8) In case the shareholder expressed its vote by correspondence for a General Meeting of Shareholders and it participates in person or by conventional representative to the meeting of the respective General Meeting of Shareholders, the vote expressed by correspondence is considered waived by that shareholder by effect of law without further formalities.
- (9) In case another person than the person who casted the vote by correspondence participates as conventional representative of the shareholder to the General Meeting of Shareholders, he/she shall present to the General Meeting of Shareholders a written waiver of the vote by correspondence signed by the shareholder or by the conventional representative who has expressed the vote by correspondence. This is not required in case the shareholder or the legal representative of the shareholder attends the General Meeting of Shareholders.
- (10) The voting ballots containing the vote by correspondence shall be filed in original copy at the Registry Desk of the Company, or shall be electronically communicated to the Company having the electronic signature incorporated, attached or logically associated, with at least 24 hours prior to the General Meeting of the Shareholders for which the vote by correspondence is exercised, if the law does not stipulate otherwise, under the penalty the vote is not binding.
- (11) In case of voting by conventional representative, the powers of attorney containing general or special mandates shall be filed with the Company's Registry Desk, or shall be electronically communicated to the Company having the electronic signature incorporated, attached or logically associated, with at least 24 hours prior to the General Meeting of the Shareholders for which such shall be exercised or exercised for the first time, if the law does not stipulate otherwise, under the penalty of losing the right to exercise the vote for that meeting.

- (12) In case of vote by legal representative, the proof of such authority shall be made simultaneously with filing/transmitting the vote by correspondence, or with accessing the General Meeting of Shareholders, as the case may be.
- (13) The deliberation of the Ordinary General Meeting of Shareholders at its first convening is valid if shareholders holding at least half of total voting rights are present, and the decisions are to be made by majority of validly casted votes.
- (14) For the second convening, with the same agenda, the Ordinary General Meeting of Shareholders will be able to make decisions irrespective of the quorum and with the majority of votes validly casted.
- (15) The deliberation of the first convening of the Extraordinary General Meeting of Shareholders is valid if shareholders holding at least half of total voting rights are present and decisions are made by majority of votes validly casted.
- (16) For the second convening with the same agenda, the Extraordinary General Meeting of Shareholders will be able to make decisions in case shareholders holding at least a quarter of the total number of voting rights are present and more than half of the votes are validly casted.
- (17) Relating to the validity of a decision of the General Meeting of Shareholders, should there be legal provisions mandatorily stipulating a different quorum or a different majority of votes than provided in the Articles of Incorporation, than such laws shall apply accordingly.
- (18) Upon calculating the quorum of a General Meeting of Shareholders, the following shall be taken into consideration:
  - a) the number of shares for which the shareholders attending the meeting in person or by representative cast a vote in person or by representative “in favour” or “against” or exercise the option to “abstain”;
  - b) the number of underlying shares for which the GDR issuers attending the meeting in person or by representative cast a vote “in favour” or “against” or exercise the option to “abstain”, according to the instructions received from the GDR holders.
- (19) The issuer of GDRs notifies the issuer of underlying shares on the number of underlying shares for which it votes during the General Meeting of Shareholders simultaneously with the filing/transmittal of the vote by correspondence, or upon calculating the quorum of the General Meeting of Shareholders.
- (20) The decision of a General Meeting of Shareholders to modify the rights and obligations related to a category of shares will be effective only upon the approval of such decision by the special meeting of shareholders included in that category.
- (21) The provisions of these Articles of Incorporation related to convening, quorum and performance of the General Meeting of Shareholders shall apply to the special meetings accordingly.
- (22) The decisions initiated by special meetings shall be subject to the approval of the corresponding General Meetings.

• **Article 17 shall be modified to read follows:**

**Article 17 – Organization of the Board of Directors**

- (1) The Company is governed by a Board of Directors composed of 7 (seven) Directors.
- (2) The majority of the members of the Board of Directors shall be non-executive and independent Directors, and at least one of them shall have a degree in economics and at least 5 years of experience in the fields of economics, accounting, audit or finance.
- (3) Directors are selected by the General Meeting of Shareholders in compliance with the applicable law and these Articles of Incorporation.

- (4) In case the cumulative vote method is applied, the Directors in office on the date of the General Meeting of Shareholders where the cumulative vote is applied shall be included on the list of candidates along with the candidates proposed by the shareholders.
- (5) The mandate of the Directors in office on the date of the Ordinary General Meeting of Shareholders where the cumulative vote is applied who are not reconfirmed by cumulative vote as members of the Board of Directors shall be deemed to be revoked by the resolution of the Ordinary General Meeting of Shareholders.
- (6) The mandate of the Directors in office on the date of the General Meeting of Shareholders where the cumulative vote was applied shall continue, in case they are reconfirmed by the cumulative vote method.
- (7) The Board of Directors elects from its membership the Chairman of the Board. The Board of Directors may revoke the mandate of the Chairman at any time.
- (8) No person shall serve simultaneously as Chairman of the Board of Directors and manager of the Company, or exercise both the mandates of Chairman of the Board of Directors and manager of the Company.
- (9) When the Chairman of the Board is temporarily unable to fulfil his/her duties, the Board of Directors may appoint another Director to exercise the mandate of the Chairman of the Board.
- (10) For the time period when there are no appointed Chairman and/or a Chairman substitute or, even if appointed, such are not able to exercise the Chairman's mandate, such mandate shall be exercised by the eldest member of the Board, as Chairman substitute, who is able to exercise such mandate.
- (11) All references herein to the Chairman of the Board of Directors shall also mean his/her substitute, to the extent the latter exercises the Chairman's mandate.
- (12) The Board of Directors shall appoint a Secretary who shall fulfil the registry and secretary works in connection with the Board's activity and shall support its activity.
- (13) The duration of the mandate of the members of the Board of Directors shall be 4 years, except as otherwise provided by law or herein.
- (14) The mandate of a Director and the mandate of the Chairman of the Board shall commence on the date provided in the appointment resolution or, in case such is not stipulated, on the first day following the resolution of appointing the person in charge with exercising the mandate of Director or Chairman of the Board of Directors, as the case may be.
- (15) The Director's mandate shall terminate upon its expiry, when revoked, upon his or her resignation, or for any other grounds of termination as provided by law, this Articles of Incorporation or the mandate contract.
- (16) In case the mandate is revoked on grounds not attributable to the director, he/she is entitled to receive from the Company a compensation for the remaining period of the mandate contract irrespective of the date of revocation.
- (17) The mandate of the Chairman of the Board of Directors shall terminate upon its expiry, when revoked, upon his or her resignation, and in all cases of termination of a Director's mandate.
- (18) The position of Director or Chairman of the Board of Directors becomes vacant upon termination of the mandate of Director or Chairman of the Board, as the case may be.
- (19) Vacancy of the positions of Director or Chairman of the Board shall be determined by resolution of the Board of Directors.
- (20) In case the position of Director becomes vacant before the expiry of the mandate, the newly appointed Director shall continue the term of its predecessor's mandate.
- (21) In case the Ordinary General Meeting of Shareholders decides on supplementing the number of Board members, the mandate duration of the first Directors appointed in the supplemented positions shall equal the remaining duration of the ongoing mandates as of the date of supplementing the number of Board members.

- (22) Appointment of a Director shall not be valid unless such person expressly acknowledges such appointment within 15 days of the appointment resolution or the date she or he has taken note of the appointment resolution, by written statement, submitted to the Company.
- (23) Resignation of the mandate as Director or Chairman shall be notified to the Board of Directors at least 30 days prior to the date intended to vacate the position by resignation, under the penalty of payment of compensation.

- ***Article 18 shall be modified to read as follows:***

**Article 18 – Directors’ Rights and Obligations**

- (1) Directors’ rights and obligations, as well as their incompatibility cases, are provided by the Director Agreements/Contracts of Mandate concluded with the Company, these Articles of Incorporation and the legal provisions applicable to public company directors.
- (2) The Directors submit to the Company, *ex officio* or upon the Company’s request, all identification and contact data and any other personal data required to ensure the conditions to fulfil the Company’s obligations, as provided by law or by these Articles of Incorporation.
- (3) In case data provided in accordance with paragraph 2 is modified, the new data shall be submitted *ex officio* by the Director.

- ***Article 19 shall be modified to read as follows:***

**Article 19 – Board of Directors Competencies**

- (1) The Board of Directors shall perform all acts that are required and useful to achieve the scope of business of the Company, except for those under the competence of the General Meeting of Shareholders as provided by law.
- (2) The Board of Directors shall delegate the competencies of managing the Company in accordance with the conditions and limitations provided by law and these Articles of Incorporation.
- (3) The Board of Directors shall have the following basic competencies that may not be delegated to managers:
  - a) Establishing the core business and the development directions of the Company;
  - b) Approval of the Company Management Plan;
  - c) Establishing the accounting policies, the internal administration control system as well as approval of financial planning;
  - d) Appointment and dismissal of the managers, including the Director General and establishment of their remuneration;
  - e) Control of managers’ activity;
  - f) Preparing the Board of Directors annual report;
  - g) Organising the meetings of the General Meeting of Shareholders, and implementing its resolutions;
  - h) Filing requests for opening proceedings to prevent insolvency and insolvency proceedings of the Company;
  - i) Elaboration of rules regarding the own activity and rules for advisory committees and managers so as not to contravene the provisions of law and these Articles of Incorporation;
  - j) Establishing or dissolution of secondary offices (branches, agencies, branch offices or any other work locations);
  - k) Other competencies of the Board of Directors that cannot be delegated in accordance with the law.
- (4) The Chairman of the Board of Directors shall have the following competencies:
  - a) Chairs the General Meeting of Shareholders;

- b) Convenes, establishes the agenda and chairs the Board of Directors meetings;
- c) Coordinates the Board of Directors activity;
- d) Overlooks the activity of Company bodies;
- e) Represents the Board of Directors in the relationship with the managers of the Company;
- f) Other competencies provided by law or herein;

• **Article 20 shall be modified to read as follows:**

**Article 20 – Convening the Board of Directors Meetings**

- (1) The Board of Directors convenes as often as it is necessary, but at least every three months.
- (2) Meetings of the Board of Directors shall be convened by the Chairman: *ex officio*, upon the reasonable request of at least 2 Directors or upon the Director General's request.
- (3) If a meeting of the Board of Directors is convened by Directors or by the Director General, the agenda shall be established by the requestors, and the Chairman shall have to comply with the request.
- (4) Meetings of the Board of Directors are usually held by meeting in person of the Directors at the registered office of the Company or in another location established by the convening notice.
- (5) Meetings of the Board of Directors may be also held by conference call or videoconference, under the terms established by the resolution of the Board of Directors.
- (6) The convening notice shall include the venue by indicating the address, the date and time of the meeting, the agenda and how the voting rights may be exercised.
- (7) In the case provided at paragraph (5), the convening notice shall include the date and time of the meeting, the agenda, how the communication is to be made, and how the voting rights may be exercised.
- (8) The convening notice accompanied by materials related to the items on the agenda shall be submitted to the Directors not later than 5 days prior to the date set for the meeting of the Board of Directors.
- (9) The Board of Directors, while convened, may adopt resolutions on issues that are not included on the agenda proposed in the convening notice only in exceptional situations, justified by the emergent nature of such situation and by the Company's interest. The Board of Directors shall decide whether the exceptional nature of such situation and the Company's interest require adoption of resolutions during the respective meeting.
- (10) In exceptional situations, justified by their emergent nature and the Company's interest, the Board of Directors may take decisions by unanimous vote expressed in writing by the Directors even without convening a meeting. The Chairman of the Board of Directors shall decide whether the exceptional nature of such situation and the Company's interest require adoption of resolutions in writing without convening a meeting.

• **Article 21 shall be modified to read as follows:**

**Article 21 – Meetings of the Board of Directors**

- (1) Board meetings shall be chaired by the Chairman.
- (2) The Directors shall have to be present and participate actively in the meetings of the Board of Directors.
- (3) No decision shall be valid unless taken in a meeting where the majority of the Board members are present and with the majority of the valid casted votes.
- (4) Votes in the meetings of the Board of Directors may be casted directly or by representative.
- (5) Vote by representative may not be casted unless the representative is another Director under a special mandate.

- (6) For voting purposes, a Director may represent only one absent Director.
- (7) The direct vote may be casted by correspondence or by electronic means, under the conditions set by the resolution of the Board of Directors.
- (8) Each Director has the right to cast a single vote, directly or by representative, when a decision is taken by the Board of Directors.
- (9) In case of parity of votes, the Chairman's vote is decisive.
- (10) If in a certain business a Director has an interest to the contrary to the Company's interests, directly or indirectly, the Director shall have to inform the other Directors and the internal auditor of such, and he/she shall not take part in any deliberation related to such business. Such Director shall have the same obligation in case he/she is aware that, for a certain business, his/her husband, wife, relatives or in-laws up to the 4<sup>th</sup> degree inclusively are interested in such business.
- (11) The meetings of the Board of Directors shall be audio recorded and such recordings shall be archived by due care of the Secretary of the Board of Directors.

- ***Article 22 shall be modified to read as follows:***

**Article 22 – Minutes of the Meeting and the Resolution of the Board of Directors**

- (1) Minutes of meetings shall be prepared after each Board meeting and shall include: first and last name of the participating Directors, the representing Directors, the order of deliberations, the decisions taken, the number and nature of votes casted, for each decision, the manner of voting and, upon request, the separate opinions.
- (2) The minutes shall be recorded in the Register of Board Meetings and shall be signed by the Chairman and by the Directors present at the meeting.
- (3) The Board resolution shall be issued based on the minutes of the meeting and shall include all the decisions taken during that meeting.
- (4) The resolution prepared in accordance with the above mentioned paragraph shall be signed by the Chairman.
- (5) A file shall be prepared for each Board meeting comprising all documents related to the convening, the materials presented in the meeting to support the items of the agenda, the resolution of the Board, and, as the case may be, the power of attorney for the vote by representative, the letters for casting the vote by correspondence and the copies of the letters for casting the vote by electronic means, certified by the Secretary.
- (6) Except as provided by law, the resolutions of the Board may be challenged in court under the terms and conditions provided by law.

- ***Article 23 shall be modified to read as follows:***

**Article 23 – Advisory Committees**

- (1) The Nomination and Remuneration Committee and the Audit Committee shall be established within the Board of Directors.
- (2) The Board of Directors may also establish other advisory committees.
- (3) The Board of Directors shall appoint the members of each advisory committee, whereby one shall be appointed as chairman of the committee. The Chairman and the majority of the Nomination and Remuneration Committee and the Audit Committee members shall be independent directors.
- (4) The capacity as member of the advisory committees terminates by revoking, resignation, and in all cases of termination of the Director's mandate.
- (5) Refusal to accept the capacity as member or as chairman of an advisory committee or resignation as member or chairman of an advisory committee without providing solid arguments represents a



righteous reason for the General Meeting of Shareholders to exercise its right to revoke the mandate as Director.

- (6) In case of termination of the capacity as member or chairman of an advisory committee, the Board appoints another Director for the vacant position.
- (7) The meetings of each committee shall be convened by the respective chairman and shall contain at a minimum the venue, date and time of the meeting, as well as the agenda.
- (8) The chairman of each advisory committee shall chair the meetings and represent the committee in the relationship with the Board.
- (9) If the chairman of the committee is not able to exercise his/her competences, he/she may authorise another person to exercise the competences, inclusive the voting right, subject to a special mandate.
- (10) The members of the advisory committees shall have to participate in the meetings of the committee.
- (11) Each member of the committee has the right to cast a single vote, personally or by representative, on a decision of the committee. In case of an equal number of votes, the chairman's vote will be decisive.
- (12) No decision shall be valid unless the two conditions stated below are cumulatively fulfilled:
  - a) the decision is taken in a meeting where the majority of the Board members are present;
  - b) the decision is taken with the majority of the valid casted votes.
- (13) The minutes of the meeting shall be prepared for each meeting of the advisory committee and shall comprise the first and last name of the present members, the decisions taken, the number and kind of votes casted for each decision and, upon request, separate opinions.
- (14) Each advisory committee mentioned under paragraph (1) shall comprise non-executive directors, including at least one independent director.
- (15) The Board of Directors may subsequently regulate the activity of the advisory committees, so as not to contravene the legal provisions or these Articles of Incorporation.
- (16) Main responsibilities of the Nomination and Remuneration Committee are the following:
  - a) formulates nominations for director positions, including the Chairman of the Board of Directors;
  - b) prepares and submits the procedure for selection of candidates for management positions;
  - c) recommends candidates for management positions;
  - d) prepares recommendations on remuneration of managers;
  - e) other duties that are established by the Board of Directors, or provided by the law.
- (17) Main responsibilities of the Audit Committee are as follows:
  - a) coordinates the internal audit;
  - b) coordinates the selection of the statutory auditor or of the audit firm and issues a recommendation for appointment of the statutory auditor or of the audit firm;
  - c) verifies and monitors the independence of the statutory auditor or of the audit firm;
  - d) monitors the financial reporting process;
  - e) monitors the effectiveness of internal control, internal audit, and risk management systems;
  - f) endorses the annual and multiannual internal audit plan;
  - g) endorses internal audit reports and the recommendations of the internal auditors;
  - h) monitors the statutory audit of annual financial statements and consolidated annual financial statements;
  - i) other duties established by the Board of Directors or provided by the law.

- **Article 24 shall be modified to read as follows:**

#### **Article 24 –Managers**

- (1) The Board of Directors delegates, fully or partially, the managing competencies of the Company to one or more managers, appointing one of them as Director General.
- (2) The Board of Directors shall appoint the manager/managers to whom the managing competencies of the Company shall be delegated, according to paragraph (1), in compliance with applicable legal provisions related to appointment of public companies managers.
- (3) Manager/managers shall be responsible for taking all measures relating to the management of the Company, within the scope of the Company’s activity and in compliance with the exclusive competencies of the Board of Directors and of the General Meeting of Shareholders, provided by the law or these Articles of Incorporation.
- (4) Manager/managers shall inform the Board of Directors upon the performed and considered operations on a regular basis and comprehensively.
- (5) The Director General shall represent the Company in the relationship with third party, including the law court.
- (6) The duration of the manager’s mandate shall last 4 years and may be renewed.
- (7) The manager’s mandate shall terminate upon expiry, by revocation of mandate, resignation, as well as any other cause of termination of mandate provided by law, these Articles of Incorporation or the Contract of Mandate.
- (8) In case the mandate is revoked on reasons not imputable to the manager/managers, he/she/they is/are entitled to a compensation for the remaining period of the contract, irrespective of the date of revocation.
- (9) The appointment of a manager shall not be valid unless such person expressly acknowledges such appointment within 15 days of the appointment resolution or the date she or he has taken note of the appointment resolution, by written statement, submitted to the Company.
- (10) Resignation of the manager shall be notified to the Board of Directors at least 30 days prior to the date intended to vacate the position by resignation, under the penalty of payment of compensation.
- (11) Vacancy of a manager position shall be determined by resolution of the Board of Directors.
- (12) For the purpose of these Articles of Incorporation, “*manager*” means the person to whom the Board of Directors delegated the managing competencies, in accordance with Paragraph (1). At the same time, for the purpose of these Articles of Incorporation, the term “*manager*” includes also the Director General.

- **Article 25 shall be modified to read as follows:**

#### **Article 25 – Rights and Obligations of the Managers and the Director General**

- (1) The managers’ rights and obligations, including the Director General’s ones, as well as their incompatibility situations are those provided by the Contracts of Mandate, the Resolution of the Board of Directors on delegating the Company managing competencies, the provisions of these Articles of Incorporation, and the legal provisions applicable to managers of joint stock companies.
- (2) The managers shall submit to the Company, *ex officio* or upon the request of the Chairman of the Board of Directors, the identification and contact data required to exercise the rights and fulfil the Company’s obligations, as provided by law or these Articles of Incorporation.
- (3) In case data provided in accordance with paragraph 2 is modified, the new data shall be submitted *ex officio* by the managers.

- *Article 26 shall be modified to read as follows:*

#### **Article 26 - Company Interdictions in the Relationship with Directors and Managers**

- (1) The Company shall not credit its directors or managers by operations such as:
  - a) Loans;
  - b) Guarantee, directly or indirectly, fully or partially, any loans contracted by directors or managers, whether concurrently or subsequently to contracting the loan;
  - c) Guarantee, directly or indirectly, fully or partially, fulfilment of personal obligations of directors and managers to third parties.
  - d) Acquisition of a receivable by onerous title, fully or partially, related to a loan given by a third party to directors or managers or related to supply of personal services to them.
- (2) The provisions of paragraph (1) are also applicable to operations where the husband or wife, relatives or in-laws up to the 4<sup>th</sup> degree inclusively of the directors or managers are interested in, or to a non-stock professional corporation or trading company where one of the above mentioned persons is associated.

- *Article 27 shall be modified to read as follows:*

#### **Article 27 – Financial Audit and Internal Audit**

- (1) The Company's financial statements shall be audited by a financial auditor in accordance with the law.
- (2) The annual financial statements audited in accordance with the law shall be filed with the district units of the Ministry of Public Finance in accordance with the law.
- (3) The Company shall contract the services of the auditor in accordance with the applicable law.
- (4) The company shall organize the internal audit in accordance with the applicable law related to internal public audit.
- (5) Internal auditors report directly to the Board of Directors on their activity.

- *Article 28 shall be modified to read as follows:*

#### **Article 28 –Personnel**

- (1) The Company's personnel shall have the statute of salaried employees and shall be hired under individual labour contracts.
- (2) The Company may also have executive managers for activity fields involving a high amount and/or complexity of activities, as well as for activities organized and performed through branches, agencies or branch offices.
- (3) The executive managers are salaried employees of the Company.
- (4) The rights and obligations of the Company's employees are established by the labour contracts concluded with the Company, the applicable legal provisions related to labour relationship, and the internal rules of Company organisation.

- *Article 29 shall be modified to read as follows:*

#### **Article 29 – Financial Year**

- (1) The financial year begins on January 1<sup>st</sup> and ends on December 31<sup>st</sup> in each year.
- (2) The first financial year begins on the registration date of ROMGAZ S.A. at the Trade Register Office.

- *Article 32 shall be modified to read as follows:*

**Article 32 Accounting Records and Financial Statements**

- (1) ROMGAZ S.A. shall keep the accounting records in RON and shall prepare annual financial statements in compliance with the law.
- (2) Upon approval, the financial statements shall become public under the terms and conditions of the law.

- *Article 33 shall be modified to read as follows:*

**Article 33 – Profit Calculation and Allocation**

- (1) ROMGAZ S.A. profit is established on the basis of the annual financial statements approved by the General Meeting of Shareholders.
- (2) ROMGAZ S.A. profit remaining after payment of the income tax shall be allocated in accordance with the law, as provided by the resolution of the Ordinary General Meeting of Shareholders.
- (3) Dividends shall be paid in accordance with the resolution of the Ordinary General Meeting of Shareholders, under the terms and conditions of the law.
- (4) The Company shall pay the dividends to the issuer of DRs proportionally to its stockholding as of the record date set by the General Meeting of Shareholders approving the distribution of such dividends, under the same terms and conditions and in compliance with the same procedure as for the other shareholders. The issuer of DRs is fully responsible to ensure that the holders of DRs shall receive the amounts resulting from payment of the received dividends, proportionally to their stockholding as of the record date set by the General Meeting of Shareholders approving the distribution of such dividends.
- (5) The Company shall not distribute and pay dividends either partially or in advance.

- *Article 34 shall be modified to read as follows:*

**Article 34 –Dissolution and Winding-Up**

ROMGAZ S.A. dissolution and winding up shall be performed in accordance with the law.

- *Article 35 shall be modified to read as follows:*

**Article 35 – Final Provisions**

The provisions of these Articles of Incorporation shall be supplemented by the provisions of the applicable law related to trading companies.

This deed is the updated form of the Articles of Incorporation of Societatea Nationala de Gaze Naturale “ROMGAZ” – S.A., as approved by Resolution No. .... of....., 2015 of the Extraordinary General Meeting of Shareholders.